

SAN FRANCISCO COUNTY ECONOMIC FORECAST

San Francisco County – located on a peninsula north of San Mateo County, between the San Francisco Bay and the Pacific Ocean – is one of the State's largest tourist destinations. San Francisco County has a population of 831,000 people and a total of 582,000 wage and salary jobs, making it a jobs center for a number of Bay Area counties. The per capita income in San Francisco County is \$86,588 and the average salary per worker is \$107,171.

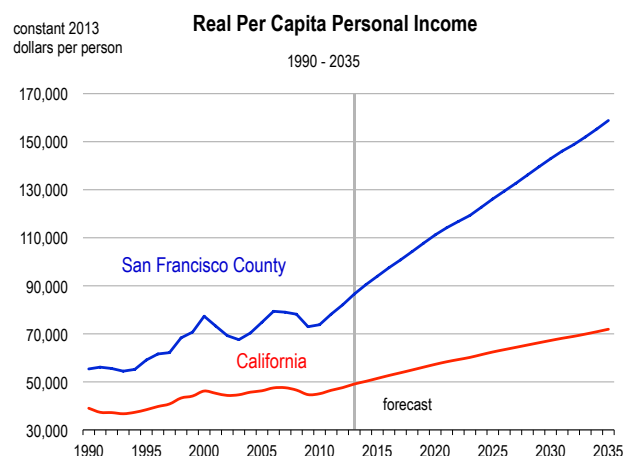
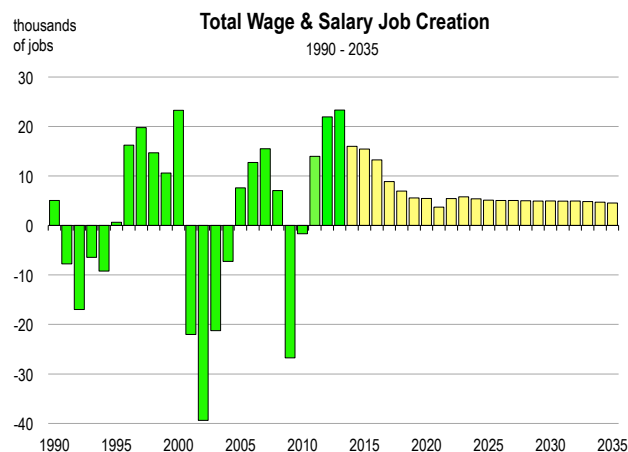
In 2013, employment in Northern California increased by 3.7 percent, whereas employment in the greater Bay Area grew by 4.1 percent. In San Francisco County, a total of 23,300 jobs were created, representing a growth rate of 4.2 percent. The unemployment rate improved substantially, falling from 7.2 percent in 2012 to 5.7 percent in 2013.

Most employment sectors were characterized by growth in 2013. The largest gains occurred in professional services (+7,800 jobs), education and healthcare (+4,600 jobs), and leisure and hospitality (+4,000 jobs). The only sector to lose jobs was government (-400 jobs).

Between 2008 and 2013, the population of San Francisco County increased at a rate of 0.8 percent per year. Net migration accounted for 32 percent of this increase, whereas the natural increase (new births) was responsible for the remaining 68 percent.

FORECAST HIGHLIGHTS

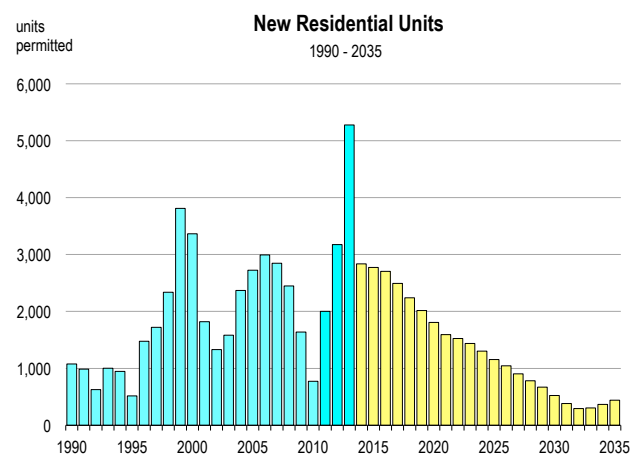
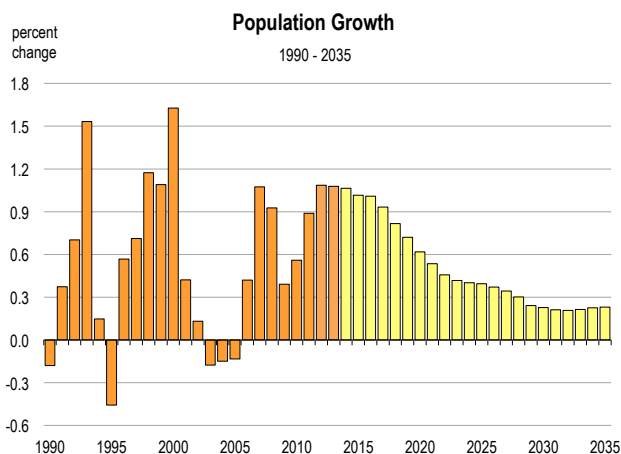
- Total employment will rise by 2.8 percent in 2014. From 2014 to 2019, the annual growth rate is expected to average 1.6 percent.
- Average salaries are currently well above the California state average, and will remain so over the foreseeable future. In San Francisco County, inflation-adjusted salaries are expected to rise by an average of 1.9 percent per year between 2014 and 2019.
- From 2014 to 2019, the principal engine of employment growth will be professional services (+27,000 jobs), which will account for more than half of net job creation in the county. Strong growth will also be observed in leisure services (+6,300 jobs), education and healthcare (+6,300 jobs), and information (+3,900 jobs).
- Population growth will average 0.9 percent per year between 2014 and 2019.
- In 2014, a total of 5,200 net migrants are expected to enter the county. Over the entire 2014-2019 period, net migration is projected to average 4,100 people per year.
- Real per capita income is forecasted to increase at a rate of 4.4 percent in 2014. Between 2014 and 2019, real per capita income will increase at a rate of 3.6 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.9 percent per year between 2014 and 2019.
- Industrial production is forecasted to increase by 1.3 percent in 2014. From 2014 to 2019, industrial production is expected to grow by 0.4 percent per year.



San Francisco County Economic Forecast

2006-2013 History, 2014-2040 Forecast

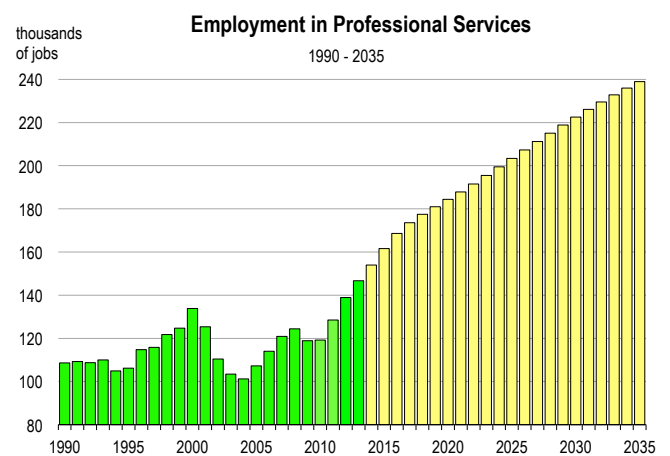
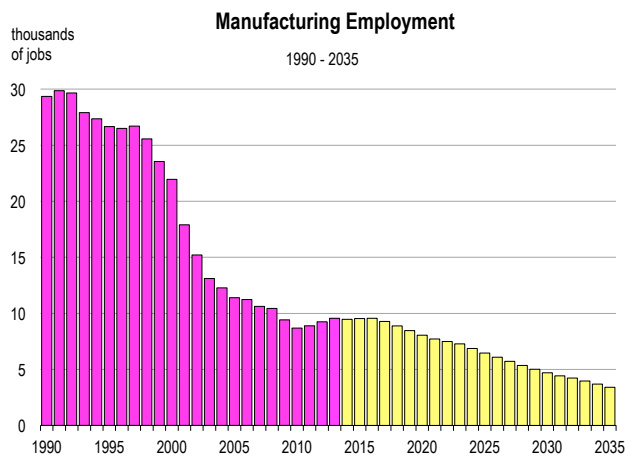
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	782,928	832	469	336.4	2,992	\$13.9	\$53.0	\$79,377	3.2	2.9	4.2	4.2
2007	791,334	5,325	474	338.5	2,848	\$14.6	\$55.2	\$78,964	3.4	1.8	3.8	4.2
2008	798,673	4,124	470	340.7	2,447	\$14.8	\$56.8	\$78,217	3.0	1.2	3.8	5.2
2009	801,799	-409	470	343.2	1,637	\$12.6	\$53.6	\$73,008	0.8	1.2	3.6	8.9
2010	806,292	1,405	470	345.2	774	\$13.4	\$55.2	\$73,767	1.3	0.8	3.4	9.6
2011	813,459	3,997	466	346.1	2,002	\$14.9	\$60.6	\$78,149	2.7	1.0	3.4	8.5
2012	822,291	5,482	471	346.4	3,175	\$16.0	\$66.1	\$82,124	2.7	1.1	3.6	7.2
2013	831,156	5,423	485	347.6	5,277	\$17.0	\$72.0	\$86,588	2.2	1.1	3.8	5.7
2014	840,002	5,266	493	350.3	2,836	\$17.9	\$78.0	\$90,433	2.7	1.1	3.9	5.2
2015	848,533	4,960	500	351.9	2,774	\$18.9	\$84.6	\$94,015	3.2	1.1	4.0	4.6
2016	857,093	4,686	508	353.5	2,705	\$19.9	\$91.4	\$97,560	3.1	1.1	4.1	4.1
2017	865,086	4,239	516	355.0	2,493	\$20.8	\$97.5	\$100,820	2.3	1.0	4.1	4.0
2018	872,151	3,549	523	356.4	2,240	\$21.6	\$103.9	\$104,237	2.2	1.0	4.0	3.9
2019	878,435	3,171	529	357.7	2,016	\$22.5	\$110.7	\$107,748	2.3	1.0	4.0	3.9
2020	883,864	2,781	535	358.8	1,808	\$23.4	\$117.5	\$111,209	2.3	1.0	3.9	3.8
2021	888,594	2,530	540	359.8	1,593	\$24.3	\$124.2	\$114,165	2.4	1.0	3.8	3.9
2022	892,653	2,228	544	360.7	1,525	\$25.2	\$130.8	\$116,742	2.5	1.0	3.8	3.9
2023	896,380	2,162	547	361.6	1,438	\$26.1	\$137.4	\$119,285	2.4	0.9	3.8	3.8
2024	899,979	2,157	551	362.4	1,303	\$27.0	\$145.5	\$122,769	2.4	0.9	3.7	3.8
2025	903,530	2,205	554	363.1	1,155	\$28.0	\$153.7	\$126,149	2.4	0.8	3.6	3.8
2026	906,884	2,096	558	363.8	1,045	\$29.0	\$162.1	\$129,393	2.4	0.8	3.5	3.8
2027	909,998	1,939	561	364.4	904	\$30.0	\$170.8	\$132,684	2.4	0.8	3.4	3.8
2028	912,745	1,664	564	364.9	783	\$31.0	\$180.0	\$136,099	2.4	0.8	3.3	3.8
2029	914,950	1,231	566	365.3	671	\$32.1	\$189.5	\$139,558	2.4	0.7	3.3	3.8
2030	917,030	1,233	568	365.7	524	\$33.2	\$199.2	\$142,877	2.4	0.8	3.2	3.8
2031	918,972	1,232	570	366.0	383	\$34.3	\$209.0	\$146,050	2.4	0.8	3.1	3.8
2032	920,878	1,330	572	366.2	294	\$35.5	\$218.5	\$148,775	2.4	0.7	3.1	3.8
2033	922,849	1,467	574	366.4	305	\$36.8	\$229.1	\$151,976	2.4	0.7	3.0	3.8
2034	924,930	1,609	576	366.5	367	\$38.1	\$240.3	\$155,326	2.4	0.7	2.9	3.8
2035	927,063	1,647	578	366.7	441	\$39.3	\$252.3	\$158,825	2.4	0.6	2.8	3.8
2036	929,440	1,855	580	367.0	576	\$40.7	\$264.6	\$162,223	2.4	0.6	2.7	3.8
2037	931,866	1,860	583	367.3	745	\$42.0	\$277.8	\$165,831	2.4	0.6	2.6	3.8
2038	934,287	1,775	585	367.7	972	\$43.4	\$291.7	\$169,609	2.4	0.6	2.5	3.8
2039	936,647	1,650	587	368.3	1,174	\$44.8	\$306.4	\$173,456	2.4	0.6	2.4	3.8
2040	938,890	1,505	590	368.9	1,348	\$46.2	\$321.3	\$177,216	2.4	0.5	2.3	3.8

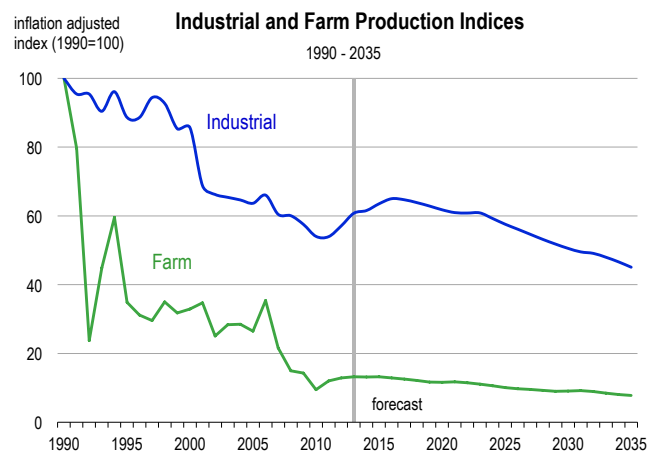
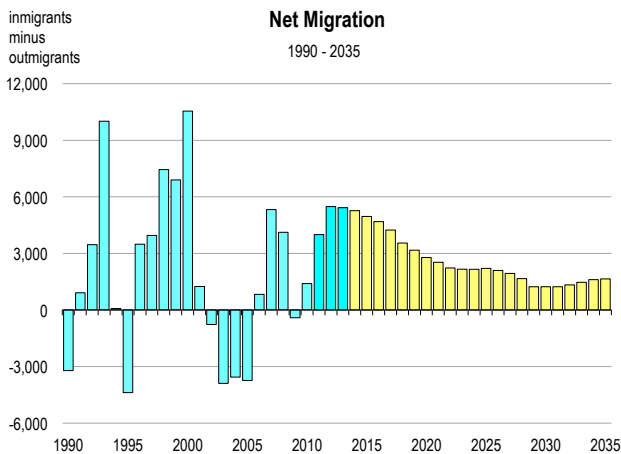
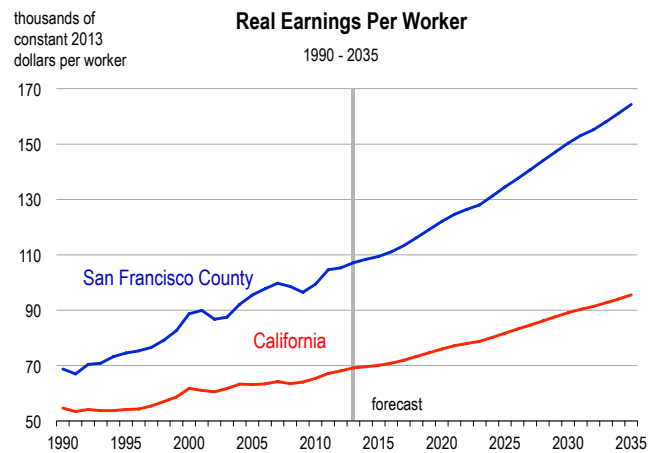
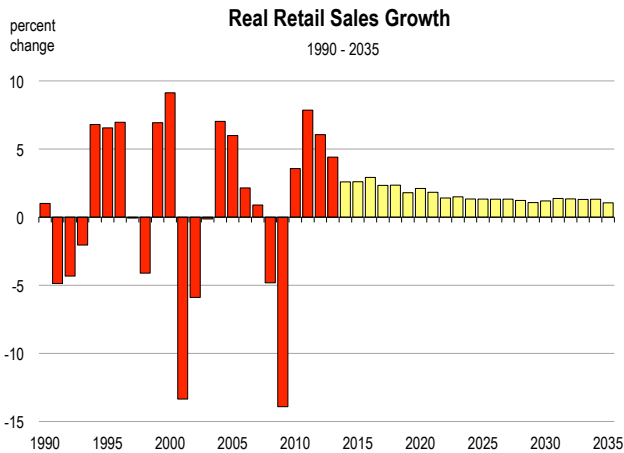


San Francisco County Employment Forecast

2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2006	528.4	0.23	18.4	11.2	14.1	55.0	57.8	114.1	18.3	56.0	73.8	88.1
2007	543.9	0.23	19.4	10.6	12.4	56.4	58.6	120.9	19.7	57.4	76.4	89.9
2008	551.0	0.26	18.9	10.5	11.5	56.2	58.1	124.4	19.8	58.7	79.1	91.1
2009	524.2	0.28	15.0	9.4	11.4	52.2	53.1	118.9	19.5	57.2	76.0	89.4
2010	522.6	0.25	13.8	8.7	10.8	50.9	51.6	119.2	19.5	59.5	76.8	89.9
2011	536.5	0.18	13.9	8.9	10.8	51.6	50.5	128.5	21.6	59.6	79.4	89.8
2012	558.4	0.16	14.8	9.3	10.8	54.2	51.5	138.9	23.7	61.1	82.7	88.9
2013	581.7	0.16	15.8	9.6	11.5	56.1	52.6	146.7	24.9	65.7	86.7	88.5
2014	597.7	0.16	16.8	9.5	11.4	57.2	53.4	154.0	25.8	66.9	89.1	89.5
2015	613.2	0.16	17.1	9.5	11.5	58.1	54.3	161.6	26.6	68.2	91.5	90.1
2016	626.4	0.16	17.4	9.6	11.5	59.0	55.1	168.6	27.6	69.2	93.1	90.5
2017	635.3	0.16	17.5	9.3	11.3	59.7	55.4	173.6	28.4	70.1	94.1	90.6
2018	642.2	0.16	17.4	8.9	10.9	60.3	55.6	177.5	29.1	71.1	94.9	91.0
2019	647.7	0.15	17.3	8.5	10.6	60.7	55.8	181.0	29.6	72.1	95.4	91.2
2020	653.2	0.15	17.2	8.1	10.2	61.1	55.9	184.4	30.1	73.1	95.5	91.6
2021	656.9	0.15	17.1	7.7	9.9	61.5	55.9	187.8	30.6	74.1	95.6	90.4
2022	662.3	0.15	17.2	7.5	9.8	61.8	56.1	191.5	31.1	75.1	95.4	90.4
2023	668.1	0.15	17.3	7.3	9.6	62.1	56.3	195.5	31.4	76.2	95.5	90.3
2024	673.5	0.15	17.2	6.9	9.2	62.3	56.4	199.5	31.8	77.1	95.6	90.5
2025	678.6	0.14	17.1	6.5	8.9	62.5	56.5	203.4	32.2	78.0	95.7	90.8
2026	683.6	0.14	16.9	6.1	8.6	62.7	56.6	207.3	32.7	78.8	95.7	91.0
2027	688.7	0.14	16.7	5.7	8.3	62.9	56.7	211.2	33.1	79.7	95.7	91.3
2028	693.6	0.14	16.5	5.4	8.0	63.1	56.8	215.1	33.5	80.5	95.8	91.5
2029	698.6	0.14	16.3	5.0	7.7	63.2	56.9	218.9	33.9	81.3	95.8	91.8
2030	703.5	0.14	16.1	4.7	7.4	63.3	57.0	222.5	34.3	82.2	95.9	92.0
2031	708.4	0.14	15.8	4.4	7.2	63.5	57.1	226.1	34.8	83.1	95.9	92.3
2032	713.4	0.14	15.5	4.2	7.0	63.7	57.2	229.5	35.2	84.0	96.0	92.5
2033	718.2	0.14	15.4	4.0	6.8	63.9	57.3	232.8	35.6	84.8	96.1	92.8
2034	722.9	0.13	15.3	3.7	6.6	64.1	57.4	236.0	36.1	85.7	96.2	93.1
2035	727.4	0.13	15.2	3.4	6.3	64.3	57.4	239.0	36.5	86.6	96.3	93.3
2036	732.0	0.13	15.3	3.1	6.1	64.4	57.5	241.9	37.0	87.4	96.4	93.6
2037	736.7	0.13	15.4	2.9	5.9	64.5	57.6	244.8	37.4	88.3	96.5	93.9
2038	741.5	0.13	15.6	2.6	5.7	64.5	57.6	247.8	37.9	89.2	96.6	94.1
2039	746.4	0.13	15.9	2.4	5.4	64.6	57.7	250.7	38.4	90.1	96.8	94.4
2040	751.3	0.13	16.2	2.1	5.2	64.6	57.8	253.7	38.8	91.0	96.9	94.7





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	12.6%
Expected job growth:	8.4%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	19.2%

Expected population growth:	3.8%
Net migration to account for:	45.4%
Expected growth in number of vehicles:	7.5%

Demographics (2014)

Unemployment rate (April 2014):	4.4%
County Rank in California (58 counties):	3rd
Working age (16-64) population:	72.7%

Population with B.A. or higher:	51.7%
Median Home Selling Price (2013):	\$830,000
Median Household Income:	\$72,020

Quality of Life

Violent Crime rate (2012):	703 per 100,000 persons
County Rank in California (58 counties):	53rd
Average Commute Time to work (2014):	32.8 minutes

High School drop out rate (2012):	24.4%
Households at/below poverty line (2014):	8.3%

* The county ranked 1st corresponds to the lowest rate in California